

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, April 6, 2010, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding

Alderman Valerie Joh

Vice-Mayor Benjamin K. Mallicote

Alderman Charles K. Marsh, Jr.

Alderman Larry A. Munsey

Alderman Tom C. Parham

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

- I. **CALL TO ORDER:** 7:00 p.m., by Mayor Dennis R. Phillips.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Led by Mr. Mark Unick, MeadowView Convention Center Sales Manager.
- II.B. **INVOCATION:** by Pastor Richard Dice, Pastor of the King's Highway Chapel.
- III. **ROLL CALL:** By City Recorder Jim Demming.
- IV. **RECOGNITIONS AND PRESENTATIONS.** Mayor Phillips shared that the Easter Lilly in the courtroom was presented to the BMA from students, parents and staff and parents of Saint Dominic's school in appreciation for the City's continued support and the Mayor expressed the Board's delight that the school recently held an open house and is remaining open in Kingsport indefinitely.

A. KINGSFORT EMERGENCY COMMUNICATIONS DISTRICT (ECD) / E-911 BOARD CONFERENCE. Mr. Jim Keesling, former Kingsport Police Chief and current chair of the local ECD board, described the funding the State ECD Board provides to keep Tennessee as one of the most progressive states in the nation when it comes to technology and staying abreast of new techniques to operate emergency communications. He mentioned that with the impending integration of the *Next Generation 911* which will require substantially more funding, the local ECD board is working closely with the State board to ensure receipt of the additional funding, along with the usual prorated funds from cell phones surcharges. Chief Keesling stated that the local ECD board funded about \$500,000 for City purposes, providing \$266,000 through an annual contract and another \$210,000 for equipment

Chief Keesling shared that he and other ECD board members have been working with MeadowView Conference Center marketing staff to offer MeadowView's facility as the site for upcoming annual TENA (Tennessee Emergency Number Association) conferences. He was pleased to announce that the conference will be held in Kingsport

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at MeadowView Conference Center in 2011 and 2012 and thanked those involved for diligently working to make this happen. He estimates that Kingsport will house in excess of 1,000 visitors for seven (7) days each year of two conferences.

Mark Unick, MeadowView sales manager, complimented Chief Keesling and the others involved for their diligent efforts and he encouraged other citizens to reach out to various organizations and church groups, corporate entities to allow MeadowView the opportunity to be in touch with meeting planners for those groups.

Lara Moore, also of the MeadowView sales team, added that the expansion to the hotel of 110 rooms, as well as the conference center expansion has been and continues to be very beneficial in recruiting various organizations to the Kingsport area and conferences such as the TENA meeting, will draw participants that will also benefit other local hotels and businesses.

Mayor Phillips commended the three former chiefs (Police Chief Keesling, Fire Chief Conner Caldwell and Fire Chief John Moser) for continuing to serve the City by volunteering to be on the ECD board and thanked them for bringing this conference to Kingsport.

V. APPROVAL OF MINUTES.

Motion/Second: Mallicote/Parham, to approve minutes for the following meetings:

- A. March 15, 2010 Regular Work Session
- B. March 16, 2010 Regular Business Meeting

Approved: All present voting "aye."

VI. COMMUNITY INTEREST ITEMS.

AA. PUBLIC HEARINGS.

1. Public Hearing for 2010 Consolidated Plan for Housing and Community Development (AF: 92-2010). Mark Haga of the City's community development department provided information on this action.

PUBLIC COMMENT ON ITEM VI.AA.1. None.

A. PUBLIC COMMENT. Mayor Phillips invited citizens in attendance to speak about any of the remaining agenda items. There being no one coming forward to speak, the Mayor closed the public comment segment.

B. BUSINESS MATTERS REQUIRING FIRST READING.

1. Consideration of a Budget Ordinance to Amend the MPO Fund by Transferring Funds from the Netherland Inn Road Stimulus Project to the Riverport Road Stimulus Project (AF: 89-2010).

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Motion/Second: Munsey/Shupe, to pass:

AN ORDINANCE TO AMEND THE METROPOLITAN PLANNING ORGANIZATION PROJECT FUND BUDGET BY TRANSFERRING FUNDS TO COMPLETE THE PROJECTS; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

2. Consideration of a Budget Ordinance to Amend the General Project Fund Budgets by Transferring Funds from the Bays Mountain Gate House Project and from the Bays Mountain Commission Fund (AF: 90-2010). Assistant to City Manager Chris McCartt explained the need for additional, temporary parking accommodations at Bays Mountain Park, along with the need to improve the wolf habitat to avoid future issues and the need to upgrade the bathroom facilities at the Nature Center.

Alderman Shupe pointed out, and Mr. McCartt confirmed, that the parking lot involved in this action is not being paved because this action is only temporary to accommodate additional demand due to programs recently added at Bays Mountain.

Mayor Phillips indicated that he had stated at last night's work session that he would not vote for this because the parking lot was not being paved—he believes the City should not require the general public to do anything the City is not also required to do, such as paving parking lots. After more thought and consideration and, in the best interest of the City, he agreed to vote in favor based on the following reasoning: 1) the anticipated increased traffic will require additional parking; 2) the City could opt to do nothing; and 3) this is only a temporary solution.

Motion/Second: Joh/Mallicote, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGETS BY TRANSFERRING FUNDS FROM THE BAYS MOUNTAIN GATE HOUSE PROJECT AND FROM THE BAYS MOUNTAIN COMMISSION FUND FOR THE FISCAL YEAR ENDING JUNE 30, 2010 ; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

3. Consideration of a Budget Ordinance to Appropriate Grant Funds Received from the Tennessee Parks and Greenways Foundation (AF: 96-2010).

Motion/Second: Shupe/Joh, to pass:

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND BUDGET BY APPROPRIATING FUNDS FROM THE BAYS MOUNTAIN COMMISSION FUND AND FROM THE TENNESSEE PARKS AND GREENWAYS FOUNDATION GRANT FOR THE FISCAL YEAR ENDING JUNE 30, 2010; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

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C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Consideration of an Ordinance to Amend the Zoning Code, Text and Map to Zone Property along West Stone Drive to P-1, Professional Office District (AF: 75-2010).

Motion/Second: Mallicote/Parham, to pass:

ORDINANCE NO. 5946, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG WEST STONE DRIVE TO P-1, PROFESSIONAL OFFICE DISTRICT, IN THE 11TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

D. OTHER BUSINESS.

1. Consideration of a Resolution to Authorize the Mayor to Sign All Documents Necessary to Apply and Receive Smithsonian Community Grant Funds of \$5,000 from the Met Life Foundation (AF: 85-2010).

Motion/Second: Parham/Shupe, to pass:

Resolution No. 2010-193, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A SMITHSONIAN COMMUNITY GRANT FROM THE MET LIFE FOUNDATION

Passed: All present voting "aye."

2. Consideration of a Resolution Authorizing a Change Order to the Riverview Community Center Project to Expand the Geothermal System and Authorizing the Mayor to Sign All Documents Necessary to Execute the Change Order (AF: 91-2010).

Motion/Second: Munsey/Parham, to pass:

Resolution No. 2010-194, A RESOLUTION APPROVING CHANGE ORDER #2 TO THE CONTRACT WITH J.A. STREET & ASSOCIATES, INC. FOR THE RIVERVIEW COMMUNITY CENTER ADDITION TO THE V.O. DOBBINS COMMUNITY CENTER AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE CHANGE ORDER

Passed: All present voting "aye."

3. Consideration of a Resolution Authorizing the Mayor to Execute a Contract Agreement to Purchase a Court Software Package from Southern Automated Systems (AF: 93-2010).

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Motion/Second: Shupe/Munsey, to pass:

Resolution No. 2010-195, A RESOLUTION AWARDDING THE BID FOR PURCHASE OF MUNICIPAL COURT SOFTWARE TO SOUTHERN AUTOMATED SYSTEMS AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

Passed: All present voting "aye."

4. Consideration of a Detailed Bond Resolution Authorizing the Issuance of Not to Exceed \$4,750,000 Water and Sewer System Revenue and Tax Refunding Bonds, Series 2010 of the City of Kingsport, Tennessee (AF: 94-2010). City Recorder Demming explained that this refunding will allow a lower interest rate, saving around \$254,000 over the remaining seven years and the City hopes to sell by month's end. In response to inquiry by Alderman Marsh, Mr. Demming stated that the current rate on this bond is around 4.2% and the expectation is to refund around 2.2%.

Motion/Second: Munsey/Joh, to pass:

Resolution No. 2010-196, RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$4,750,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF.

Passed: All present voting "aye."

5. Consideration of a Resolution Authorizing the Mayor to Amend Certain Terms to the Purchase Agreement with the Press Group, LLC and Authorizing the Mayor to Execute All Documents Necessary and Proper to Effectuate the Purpose of the Agreement (AF: 72-2010). City Manager Campbell explained the background behind this requested amendment and the benefits of approval. Alderman Marsh clarified that this action involves a building of approximately 200,000 square feet and three and a half (3½) acres of land that the City proposes to sell to the Press Group, LLC for \$150,000, less certain expenses the LLC has incurred; essentially, selling these assets for around \$100,000. He further confirmed that the City has made no investment in this donated property other than demolition costs and, with this action, will receive around \$100,000.

City Manager Campbell confirmed Alderman Marsh's summary, with the additional explanation that the total purchase price for building, land and two parking lots is \$250,000, with the \$150,000 payment being made no later than the closing date. Following closing, over a three-year period, as the LLC sells out another 134,000 square feet in condominiums planned within the development, another payment of \$150,000 will be paid to the City.

Alderman Marsh went on to summarize his understanding that the first condo developed will accommodate the Mountain Regions Medical Group and KEDB (Kingsport Economic Development Board), an arm of the City organized to do business without the same restraints as municipal government, is going to pay \$720,000 to the Press Group, LLC. City Manager Campbell confirmed this arrangement.

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Board discussion regarding this tax increment financing (TIF) opportunity following, including who will own the property, whether the City is the actual provider of the \$720,000 seed money for this \$9 million project to get underway, the seven (7) year time period involved to begin recouping the money invested by the City with the additional \$15 million planned for private investment in this development.

Alderman Marsh expressed his support for this overall project and understands the necessity to proceed in this manner, but will reluctantly support this action because of the repetitive nature of providing these tax incentives to develop business at the City's short-term expense.

Alderman Shupe pointed out that the abandoned site will be redeveloped, privately, in a project estimated around \$25 million. Mayor Phillips added that, if this project is not supported by the City, it will be responsible to demolish the current buildings at a very substantial cost. He thanked the investors involved for their diligence, persistence and dedication to this project while dealing with extremely difficult aspects from financial to environmental, to reach this step in the development of that property.

Motion/Second: Munsey/Parham, to pass:

Resolution No. 2010-197, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDED PURCHASE AGREEMENT FOR THE SALE OF A PORTION OF THE QUEBECOR PROPERTY TO THE PRESS GROUP, LLC AND A QUITCLAIM DEED UPON THE CLOSING; AND AUTHORIZING THE MAYOR TO EXECUTE ANY OTHER DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE PURCHASE AGREEMENT OR FACILITATE THE SALE OF THE PROPERTY

Passed: All present voting "aye."

E. APPOINTMENTS.

1. Consideration of an Appointment to the Parks and Recreation Advisory Committee (AF: 88-2010).

Motion/Second: Mallicote/Joh, to approve the following:

APPOINTMENT OF MR. THOMAS MCNUTT TO COMPLETE THE UNEXPIRED TERM OF MR. TED SALYERS ON THE **PARKS AND RECREATION ADVISORY COMMITTEE**, EFFECTIVE IMMEDIATELY AND EXPIRING JUNE 30, 2012

Passed: All present voting "aye."

2. Consideration of an Appointment to the Visitor Enhancement Program (VEP) Advisory Board (AF: 95-2010).

Motion/Second: Mallicote/Joh, to approve the following:

APPOINTMENT OF MS. STACEY ROBERTS TO REPLACE MS. CEEGEE MCCORD ON THE **VISITOR ENHANCEMENT PROGRAM BOARD**, EFFECTIVE IMMEDIATELY

Passed: All present voting "aye."

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VII. CONSENT AGENDA.

Consent Agenda items are considered under one motion.

Motion/Second: Munsey/Parham, to adopt:

1. Consideration of an Ordinance to Amend the FY10 General Purpose School Fund and the General Project Fund Budgets (AF: 77-2010).

Adopt:

Ordinance No. 5947, AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND AND THE GENERAL PROJECT FUND BUDGETS; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

2. Consideration of an Ordinance to Amend the FY10 School Special Projects Fund Budget (AF: 78-2010).

Adopt:

Ordinance No. 5948, AN ORDINANCE TO AMEND THE SCHOOL SPECIAL PROJECTS FUND BUDGET; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

3. Consideration of an Ordinance to Approve Revisions to the Sewer Use Ordinance in Compliance with National Pretreatment Regulations Incorporating Required Changes in the Pretreatment Streamlining Rule and Revisions to Local Discharge Limits (AF: 58-2010).

Adopt:

Ordinance No. 5949, AN ORDINANCE TO AMEND THE CODE OF ORDINANCES, CITY OF KINGSPORT, TENNESSEE, CERTAIN CHAPTERS OF 106 RELATING TO SEWER USE; TO PROVIDE FOR THE SEVERABILITY OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham, Shupe and Phillips voting "aye."

4. Consideration of an Ordinance to Appropriate Grant Funds Provided by Walmart Community Grant (AF: 81-2010).

Adopt:

Ordinance No. 5950, AN ORDINANCE TO AMEND THE GENERAL FUND BY APPROPRIATING FUNDS RECEIVED FROM WAL-MART FOR THE FISCAL YEAR

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ENDING JUNE 30, 2010; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE
Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham,
Shupe and Phillips voting "aye."

**5. Consideration of an Ordinance to Appropriate Funds for a
Materials Agreement with Leonard and Cynthia Gerber Related to St. Andrew's
Garth Phase I (AF: 83-2010).**

Adopt:

Ordinance No. 5951, AN ORDINANCE TO AMEND THE WATER AND SEWER
PROJECT FUNDS BY TRANSFERRING FUNDS TO THE ST. ANDREW'S GARTH
PHASE 1 MATERIALS AGREEMENT PROJECTS (WA1070 AND SW1070); AND TO
FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Joh, Mallicote, Marsh, Munsey, Parham,
Shupe and Phillips voting "aye."

VIII. COMMUNICATIONS.

A. CITY MANAGER. City Manager Campbell mentioned the numerous
positive comments received on the *Race to the Top* grant award and commended City
Grants Specialist Morris Baker and the cooperative work between City Schools
Superintendent Dr. Richard Kitzmiller and Northeast State Community College
President Dr. Janice Gilliam to receive this funding. .

Mr. Campbell also cited the excellent rating of 99 received on City water quality and
invited Public Works Director Ryan McReynolds to speak further about this
achievement. Mr. McReynolds credited his staff and expounded on the criteria and
process to receiving this outstanding rating.

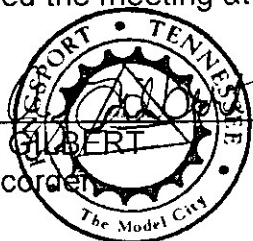
B. MAYOR AND BOARD MEMBERS. Mayor Phillips mentioned his
participation in the promotion by the City's Cultural Arts' *Tom Sawyer Day* and reminded
citizens that this month has been declared by the BMA as *Tom Foolery* month. He
encouraged all to participate in the various events relating to Huck Finn taking place all
month.

C. VISITORS. None.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor
Phillips adjourned the meeting at 8:30 p.m.

Elizabeth A. Gilbert

ELIZABETH A. GILBERT
Deputy City Recorder



Dennis R. Phillips

DENNIS R. PHILLIPS
Mayor